

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

February 23, 2004
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Noble, and Councilmembers Balducci, Chelminiak, Davidson, Degginger, and Lee

ABSENT: None.

1. Executive Session

Deputy Mayor Noble opened the meeting at 6:00 p.m. and announced recess to Executive Session for approximately 20 minutes to discuss one item of pending litigation and one item of property disposition.

The Study Session resumed at 6:32 p.m. with Mayor Marshall presiding.

2. Oral Communications: None.

3. Study Session

(a) Council New Initiatives

No initiatives were introduced.

(b) New City Building Workshop – Broad discussion of conceptual design and budget allowances

City Manager Steve Sarkozy explained that tonight's discussion is the beginning of a series of meetings leading to Council's determination of the maximum allowable construction cost (MACC) for the New City Building redevelopment project.

Planning and Community Development Director Matt Terry said the project team will provide a status report on the design process tonight and seek Council feedback. A second round of public outreach will begin soon with an Open House scheduled for March 4, a meeting with neighborhood leaders on March 11, and additional meetings to be announced. Public hearings are scheduled for April 5 and May 3.

Mr. Terry said the design development phase is nearly complete. The next step is a two-month process of analyzing the budget to ultimately set the final budget. Mr. Terry recalled Council direction in November establishing a preliminary project budget of \$102.4 million. Total construction costs represent \$69.5 million of the budget which includes raw construction costs and multiple contingencies. Mr. Terry said there have been no major changes in the overall project budget. He noted the budget approved in November included value engineering assumptions that will be discussed in greater detail tonight. A number of additional value engineering opportunities have been identified as well since that time.

Rick Zieve, Principal Designer with SRG Partnership, introduced Dennis Forsyth (SRG), Chris Phillips (Landscape Architect), and Laura Hill (Interior Architect, SRG). Mr. Zieve described the architect team's concept for the building, which is to embody the history and the future of the city. They want the building to reflect the successful coexistence of the natural landscape and the built environment already evident throughout Bellevue. The building should capture the city's history of whaling fleets and accessibility by ferry as well as modern transportation, arts, culture, technology, and diversity. Mr. Zieve commented on Bellevue's existing commercial architecture consisting of large-scale buildings with large surfaces, polished stone, metal, and reflective glass. SRG wants to distinguish the New City Building from commercial buildings through the use of varied materials.

Mr. Zieve described photographs depicting Bellevue's residential architecture and its relationship with the natural environment. He noted the proximity of residential areas to downtown commercial development and the extensive use of wood. SRG feels one of the best civic buildings in the community is Bellevue Regional Library, which reflects the use of wood and clear, rather than reflective, glass.

Mr. Zieve said one role of civic buildings can be to mitigate the differences between commercial and residential uses. He reviewed the following universal characteristics of a civic building: 1) dignified materials, 2) procession, such as a staircase leading to the front entrance, 3) a grand interior space, 4) major public open spaces, 5) location, and 6) transparency. The location of the New City Building is ideal in terms of being downtown and connected to pedestrian and transportation networks. Glass is often used to express the openness and accessibility of civic buildings. The major features to be added to the building – Council Chambers, the lobby concourse, and a stairwell – are primarily transparent to contrast with the closed appearance of the rest of the structure.

Mr. Phillips reviewed the guiding design principles that have helped to shape the landscape. The first is an urban design principle to reinforce the NE 6th Street Pedestrian Corridor as well as the proximity of Meydenbauer Convention Center. The front door of the New City Building will face 6th Street, and a large public plaza will be created on 6th Street. With the building's location on the edge of downtown and next to the freeway, a landscape gateway treatment into the downtown is planned. Mr. Phillips said the creation of a surrounding open space is an important part of the building's identity, and the landscape will provide a social space for celebrating civic events. The fourth principle is landscape as a metaphor or reference, for example to the City's motto of a "City in a Park." Relevant symbols include rolling hills, urban forest, and water. Mr.

Phillips referred to the last principle as contemporary modernism which responds to the residential character of Bellevue.

Mr. Phillips displayed and described the overall site plan, which includes informal landscaping along NE 4th Street and more formal landscaping treatments along NE 6th Street. The civic plaza will accommodate 1,500 to 2,000 people and includes a lawn, a pavilion (for a café or public use), water features, and seating. A parking garage will be built under the plaza, and green roofs are planned for some of the rooftop areas. The building and grounds will incorporate public art as well.

Responding to Mayor Marshall, Mr. Phillips said previous plans for the corner of NE 4th Street and 112th Avenue included a water feature. Revised plans consist of public art, berms, and large plantings. He said the walkway is currently planned to be seven to eight feet wide. Mrs. Marshall suggested a wider walkway and a continuous overhang all the way up to the doorway.

Responding to Mr. Degginger, Mr. Phillips said the reason for possibly providing a coffee shop or art gallery in the pavilion is to attract people to City Hall and encourage social interaction. Mr. Terry recalled Councilmember Creighton's comments last fall that the site should serve multiple purposes including that of a park amenity. He noted the requirement for a major public open space (MPOS) at this intersection adjacent to the Pedestrian Corridor. Mr. Terry further explained that staff is analyzing the potential for leasing some or all of the space to a private party and using the lease revenue to reimburse construction costs for the pavilion.

Mr. Lee suggested that any water features should be flowing rather than standing water. He is in favor of the previously proposed water feature at the corner of NE 4th Street and 112th Avenue. Mr. Phillips acknowledged Council's interest in water features and said the project team will continue working with the artist to explore a range of options.

Mr. Chelminiak suggested less dense vegetation and more open space on the eastern half of the site for park-like uses. Mr. Phillips said public gatherings are focused on the northwest corner in part because street traffic moves slower there. However, it is possible a walkway could be added to the other half of the site.

Mr. Zieve described plans for the building's exterior appearance including recladding and the addition of Council Chambers, the lobby concourse, and a new stairwell. These glass building additions will glow from the outside in the evening and reflect warm wood materials in the interior. The exterior appearance of the redeveloped building will vary through the use of different materials and colors. Windows will be cut into the computer floors that currently have solid exteriors, and the building's existing dark glass will be changed to clear glass. Mr. Zieve displayed examples of terra cotta building exteriors and noted a range of possible colors.

Responding to Dr. Davidson, Mr. Zieve said the metal exterior portions are durable and can last up to 50 years. He indicated a preference for the natural silver/aluminum look rather than a painted metal finish. The terra cotta finish is durable and long lasting as well.

Responding to Mr. Degginger, Mr. Zieve said other materials considered included stone and brick, which are more expensive. The project team prefers terra cotta for its fresh, modern look and its continuity with some of the community's residential development. Mr. Forsyth said the terra cotta material emerged as the preferred option as the result of a cost and performance study of various materials.

Deputy Mayor Noble questioned the ability to maintain a comfortable interior building temperature given the extensive use of glass. Mr. Zieve said exterior and interior sun shades on portions of the building will help regulate the temperature. The glass can also be treated with frit (baked on lines) to act as a sunscreen. For cold weather, the glass is insulated and the heat source is located next to the glass.

Responding to Mr. Lee, Mr. Zieve said the goal is to create a timeless building through the choice of classical shapes (e.g., the circular Council Chambers) and materials (e.g., terra cotta). Mr. Forsyth reminded Council that the building's seismic improvements require some type of exterior treatment to disguise the upgraded structure.

Responding to Mr. Chelminiak, Mr. Zieve said the terra cotta product can be treated with a rain-repellant finish that will retain its original color.

Mr. Zieve described the building's main public spaces. The lobby concourse of wood with a terrazzo tile floor will house public counters and connect to an area of public meeting rooms, the Council Conference Room, and Council Chambers. Council Chambers will be built above the existing parking garage and feature a wood ceiling and interior. The Council's and City Manager's offices will be located on the level above the Chambers.

At 7:55 p.m., Mayor Marshall declared a break. The meeting resumed at 8:05 p.m.

Ms. Hill described the design and material continuity between the landscape, the exterior, and the interior. She noted that every decision regarding interior design and materials balances function, maintenance and durability, cost effectiveness, and aesthetics. Ms. Hill said the goal is to create a building that is warm, welcoming, non-intimidating, and non-institutional as well as one that reflects Bellevue's values, character, and future. The proposed color and texture palette is drawn from the community's natural environment. The concourse floor is terrazzo, the walls and ceiling are wood, and the exterior terra cotta treatment will wrap inside the building at key points. Office areas are neutral with accent colors and artwork. Terrazzo, wood, and terra cotta are repeated in the second floor of the lobby concourse.

Responding to Ms. Balducci, Ms. Hill said the wood ceiling will incorporate acoustic properties to minimize echoes and noise amplification. Upper floors will be carpeted.

Mr. Noble expressed concern that the color palette is reminiscent of the earth tones popular in the 1960s. Ms. Hill said she is trying to stay away from trendy colors and instead focus on colors present in the natural environment. She feels a timeless look can be achieved.

Mr. Degginger agreed with Ms. Balducci's concern that the terrazzo floor could be too noisy. Ms. Hill said the area lends itself to carpet as another consideration. Mayor Marshall suggested hardwood floors.

Following additional brief comments, Mayor Marshall noted Council's concurrence with the color and texture palette.

Mr. Forsyth reviewed key mechanical, electrical, and structural elements of the building. He said the new parking garage has been reconfigured from two stories, four bays wide, to three stories, three bays wide, which results in a cost savings of approximately \$1 million. A change to steel plates instead of shear walls for seismic upgrades results in a savings of \$500,000 to \$1 million. A redesign of plans for the basement level resulted in additional cost savings. Further analysis has determined that replacing the chillers will be more economical in the long run than rebuilding the existing equipment. Three of five emergency generators will be retained, and the building will have the capability of continuing operations for up to 72 hours in the event of a complete loss of power.

Responding to Dr. Davidson, Mr. Forsyth said the cost of seismic upgrades has been reduced by approximately \$500,000.

Mr. Terry briefly reviewed the project budget. He noted a savings of \$338,000 in the interim maintenance and operations contract for the New City Building. Staff is tracking every line item in the budget, and the project team continues to identify opportunities for cost savings on an ongoing basis. An update to Council on the refined project scope and budget is scheduled for April 26.

Chris Raftery of Lease Crutcher Lewis, the general contractor/construction manager (GC/CM) for the project, explained that all work has been tracked in a budget options log. This approach enables the GC/CM to maintain compliance with the budget and its individual items. Efforts to reduce costs through value engineering or changes in scope are ongoing. Value engineering and project scope changes are summarized in the Project Update packet distributed for this meeting. Design development drawings will be completed by early March. The project team will then refine cost estimates to develop the maximum allowable construction cost (MACC), which will be presented for Council approval on May 24.

Responding to Dr. Davidson, Mr. Terry said the City Manager's Office is pursuing federal grants for the emergency preparedness elements of the facility. Regional funding might be available as well for the 911 Communications Center.

Mr. Raftery reviewed project contingency funds (design, buyout, GC/CM, owner's construction, and City costs) totaling \$9.9 million. He cautioned that structural steel prices are in flux and increasing.

Finance Director Jan Hawn provided an update on the finance plan for the redevelopment project. Funding sources for bond financing include land sale proceeds, excess reserves (Council Reserve, Facilities CIP Reserve, and LID/Land Purchase revolving fund), borrowing from

additional reserves, CIP revenues, and Qwest lease income. A competitive LTGO bond with a 40-year term will be used. The anticipated issuance date is June 2, 2004, and the anticipated closing date is June 16. The assumed average coupon interest rate is 4.975 percent and estimated bond sale costs are one percent.

Ms. Hawn explained the strategy to replace borrowed reserves as rapidly as financially feasible, which is estimated at 12.5 years. Reserves will be replenished through CIP revenue collection in excess of budgeted amounts, incremental new taxes from future use of the current City Hall site, and debt service savings. Council action on the bond resolution is tentatively scheduled for May 17.

Following additional brief comments by Council and staff, Mayor Marshall thanked the project team for their hard work and efforts to reduce costs.

At 9:11 p.m., Mayor Marshall declared the meeting adjourned.

Myrna L. Basich
City Clerk

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